

# NEWSBRIEFS



Columbia Falls, MT.  
Wednesday, July 27, 1983

## FROM THE PLANT MANAGER'S DESK

I'm very pleased to have Bob Becker, ARCO Aluminum Vice-President, Primary Operations; Ken Boone, ARCO Aluminum Sales Manager; and Larry Wence, ARCO Aluminum Metal Control Manager visit the plant and discuss sales, marketing, and product development with our staff. Their comments about the marketplace have been very useful and quite encouraging for us, as we seek to pull ourselves out of the recession.

In another area, I'm very proud of the tremendous improvement we've made in our safety record since the beginning of this year. We are now up to 678,000 hours without a lost-time accident and were able to stay accident-free during the start up of Line 1. Our safety record is something we all can be proud of. Keep up the good work.

A group of our employees received a compliment from Sebree's Plant Manager, Jack Williams. When the strike began and salaried employees began to run the plant, there were some real problems in the Casting area. Some of our people were available to help and they got things back on target for the Sebree operation. As Jack Williams said about the Columbia Falls employees, "those twenty people that you sent us were like forty people," based on how effectively and how hard they worked. To those Columbia Falls employees working the plant, please understand that your contribution is very much appreciated. The plant is able to serve its customers and maintain its hold on its markets.

### *Plant Visitors*

On Thursday, August 4, ARCO Metals President W.T. Chamberlain will visit the plant. Accompanying him will be Marlan Boultinghouse, Senior Vice-President--Aluminum, Gene Greenberg, ARCO Aluminum's Vice-President-Materials Management and Jack Speer, ARCO Aluminum's Energy Manager.

On Monday and Tuesday we are expecting Gil DeCampos, ARCO Aluminum's Raw Materials Supply Manager, to visit our Materials staff. Irmgard Murray, ARCO Aluminum's Purchasing Manager, will also visit the plant next week.

## BECKER OPTIMISTIC

Bob Becker, ARCO Aluminum Vice-President, Primary Operations, spoke at the weekly staff meeting here in the plant. He said he is quite optimistic about the aluminum market and expects things to be much better by next year at this time. In the meantime, Becker is interested in having our plant enter new markets based on changes in our product mix. We will need to make some

modifications in the plant to make the new products. Becker was pleased with our cost containment efforts thus far. He commented that the industry is through the crisis period and back on the upswing. Becker would like to see the plant return to 100% of capacity and stay there and he has some ideas on how to accomplish that.

### SALES PICTURE

Ken Boone, ARCO Aluminum Sales Manager, reported today that sales have picked up. We are currently selling our maximum capacity of billet, while foundry ingot also continues to be strong. Mill Products sales have shown strength and order entry is high. Boone said he is encouraged about the economy and believes the upbeat sales picture will hold if interest rates hold steady. Cost cutting projects can help us hold the line on price. As a plant, Boone sees us becoming more versatile and more capable of being on our own, but as a working partner with the Sebree product line.

### POTLINES

There are 322 active pots with emissions at 2.98 pounds per ton. That figure is slightly above the state standard of 2.6 pounds. Steve Seifert, Cell Operations Superintendent, applauded the efforts of all those employees who made the start up of Line 1 such a smooth one.

### FLAME BAKE EXPERIMENT

We are experimenting with a flame bake of pot 932. The bake lasts 48 hours, with temperatures reaching 880 degrees centigrade to 950 degrees centigrade. This approach minimizes the opportunity for cracks to develop in the sidewall. Thus far, the flame bake looks like a good approach.

### SAFETY

We have recorded 169 days or 677,927 hours without a lost-time accident. We now stand 11 days away from our next safety goal, that of 180 days without a lost-time accident. If we can reach that goal, every employee will receive 10 books of green stamps. Let's keep it going.

### FOUNDRY INGOT

We have received an order for foundry ingot, one of our new products, that will go to Western Wheel. Our success in getting this order is largely due to the marketing and sales program and good test ingots we shipped them a short time ago on a trial basis. They are awaiting September delivery on the product.

### LARGE INGOT PROPOSAL

A new study has been completed on the feasibility and cost of casting large ingots, such as would be used at the Logan plant. This study allows for using the existing casting facility here, rather than putting in a new cast house. This new study is quite an innovative approach, since earlier studies indicated that we couldn't make large ingots in our existing facility. Four employees worked long and hard to develop this idea into a solid proposal which has been praised for its thoroughness and accuracy. Dave Krick, Britt Bell, Ken Kaufman and Jack Hinman are largely responsible for this study and are to be congratulated for a

job well done. We'll keep you posted on what happens with large ingots at Columbia Falls.

### COST SAVINGS

Cost savings for 1984 is estimated at \$9,000,000. We are still shooting for \$12,000,000 by year-end. We need your input by the second of each month if you have any ideas or programs you're working on.

The Purchasing Department achieved \$1,600,000 in cost savings the second quarter. These are the efforts we need to keep our plant alive and well for our future.

### EMPLOYEE INNOVATION

One of our employees in the pot reline group, Don McIntyre, has come up with an idea for a change in our pot ramming procedure that should result in greater efficiency and effectiveness. Don suggested using a pre-shaped form or support to help with pot ramming. This innovation has helped considerably. Thanks for a good idea, Don.

### SEBREE UPDATE

The work stoppage begins the tenth week on July 28, however, operation of the two potlines and casting, processing and shipping of finished products continues on schedule.

On July 26, the Sebree Electrode plant pressed the first of their new increased area anodes. The new larger anode block will provide an increased anode surface area which is expected to contribute to better pot stability, increased Current Efficiency and will change the carbon setting cycle from 21 days to 24 days.

Last week's heat wave gave the Sebree workers two days of 102 degrees with 85% to 95% humidity. During such extremes, workers in those areas learn to pace themselves, minimize the time spent exposed to those extremes, and drink lots of fluids. The Sebree plant uses pre-packaged dry mix Gatorade, which is mixed with ice and water and placed in coolers throughout the hot areas of the plant.

### EMPLOYEE ASSISTANCE PROGRAM

Human Affairs, Inc. is the ARCO contractor for our Employee Assistance program. Until recently, their subcontractor for our plant has been Ada Casazza in Whitefish.

Human Affairs, Inc. has found it necessary to change the contact and in doing so have given us a toll free telephone number that may be used at any time. 1-800-448-4357 will place you in contact with Human Affairs, Inc., who will then refer you to a specialist they have arranged for here in the valley.

### EMPLOYEE RETIREMENTS

Two employees are scheduled to retire on August 1. Harry (Logan) Pennoyer, who is an ironworker in the Fab Shop, will retire after 28 years of service. He was hired on August 7, 1955. Fred Danielson, who is a mechanic in the garage, will retire after 16 years of service. He was hired on July 14, 1967. Best wishes to both of you for a happy and healthy retirement.

## COMMUNITY SERVICE

We have been asked by the Chamber of Commerce to update signs for the Heritage Days celebration. We're happy to help in this community event. The signs are being painted in the Fab Shop.

## COMPETITORS

*Kaiser* announced a pre-tax loss of \$100 million for aluminum operations in the second quarter. This is the fourth consecutive quarterly loss for the company. Cornell Maier, Kaiser's Chairman, believes that stronger volume and higher prices "should allow us to make a substantial reduction in our operating loss in the third quarter."

*Reynolds* announced the restart of two potlines, one at the Longview, Washington smelter and the other at Troutdale, Oregon. Longview will recall 60 employees, while Troutdale hires back 144.

*Reynolds* also has vowed to close several uneconomical production facilities after the fourth consecutive quarter of operating at a loss. The Company has not yet named the facilities it will close, but analysts believe the Corpus Christi, Texas primary smelter and the Listerhill, Alabama smelter are top candidates. The two plants are the highest cost smelters in the Reynolds system. Corpus Christi is gas-fired and is an older plant. Listerhill is powered by the TVA which charges 4¢ per kilowatt hour of power. (By comparison, our power is 2.6¢ per Kwh.)

*Alcan* will start up one of the two idle potlines at the new Grand Baie smelter during September. After the start up, Alcan will be operating at 92.7% of production capacity.

## ACTIONLINE

Call 2302 to ask your question, make your comment or offer a suggestion.

## ARCO STOCK

Atlantic Richfield stock opened at 50 1/4 on Wednesday, July 27.

## ALUMINUM PRICES

*Metals Week* reports that aluminum primary ingot in the U.S. market is selling at 72.3¢ per pound. That's an increase over last week's 70.8¢ per pound. A year ago ingot sold for prices in the forty-cent range. The London Metal Exchange price is 74.3¢.

Ken Boone, ARCO Aluminum Sales Manager, indicated today that we are quoting a price of 76.5¢ per pound for primary.